
GRANT NUMBER D732-ET

Financing Agreement

(Urban Productive Safety Net and Jobs Project)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D732-ET

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of assisting in financing the project described in Schedule 1 to this Agreement (“Project”). The Association has decided to provide this financing on the basis, among other things, of the existence of an adequate refugee protection framework. The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to two hundred eighty-two million Special Drawing Rights (SDR 282,000,000) (“Financing”), to assist in financing the Project.
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are January 15 and July 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through MoUDC in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely, the Recipient no longer has an adequate refugee protection framework.
- 4.02. The Additional Event of Acceleration consists of the following, namely, the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Association is satisfied that the Recipient has an adequate refugee protection framework; and
 - (b) The Recipient has adopted the Project Implementation Manual prepared by the Recipient and approved by the Association in accordance with Section I.C of Schedule 2 to this Agreement.
- 5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.
- 5.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its Minister of Finance.
- 6.02. For purposes of Section 11.01 of the General Conditions:
 - (a) the Recipient's address is:
 - Ministry of Finance
 - P. O. Box 1905
 - Addis Ababa
 - Federal Democratic Republic of Ethiopia; and
 - (b) the Recipient's Electronic Address is:
 - Facsimile:
 - (251-11) 1551355

6.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By:



Authorized Representative

Name: H.E. Ato Ahmed Shide

Title: Minister

Date: 07-Oct-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:



Authorized Representative

Name: Ousmane Dione

Title: Country Director

Date: 06-Oct-2020

SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient in improving the incomes of the urban poor and the labor market inclusion of disadvantaged urban youth.

The Project consists of the following parts:

Part 1. Expand the Urban Productive Safety Net to Improve the Urban Environment

Carry out a program of activities to provide public works and livelihood support to selected urban poor households, including:

1. **Public Works:** (a) Carrying out of labor-intensive public works sub-projects (“Public Works Sub-projects” or “PW Sub-projects”) in selected cities and through participatory community planning processes, focused on, *inter alia*: (i) urban greenery and beautification, (ii) urban integrated solid waste management, (iii) urban integrated watershed management, (iv) social infrastructure; and (v) creating a conducive environment for urban agriculture; and (b) payment of cash transfers (“Public Works Cash Transfers” or “PW Cash Transfers”) to selected households (“Public Works Beneficiaries” or “PW Beneficiaries”) for their participation in PW Sub-projects.
2. **Livelihood Development:** Provision of: (a) a package of livelihood services to selected households (“Livelihood Development Beneficiaries” or “LD Beneficiaries”), including training in financial literacy and soft skills, support in business plan development, and coaching and mentoring; and (b) grants to LD Beneficiaries (“Livelihood Development Grant” or “LD Grant”) who complete said training and develop business plans.
3. **Integration of refugees and host communities:** Carrying out of Parts 1.1 and 1.2 activities with selected Refugees and host communities as PW Beneficiaries and LD Beneficiaries living in the proximity of selected cities.

Part 2. Foster Urban Youth Employment

Carry out a program of activities to provide first work experience for disadvantaged urban youth, and job search services, including:

1. **First Work Experience for Less Educated Youth.** (a) Provision of a package of services to selected unemployed youth (age 18 through 25 years) for their acquisition of, *inter alia*, training in basic life, digital, financial literacy and job search skills, and internships to gain work experience; and (b) payment of

stipends to the selected youth to cover the costs of local transport and meals (“Youth Stipends”).

2. **Strengthen Employment and Intermediation Services.** Provision of support to strengthen Public Employment Services (“PES”) through, *inter alia*, provision of technical assistance, goods, materials and small works for: (a) development of policy necessary to guide the legal framework for a strengthened PES system; (b) piloting different models of service delivery, reporting and monitoring at job centers and cluster centers, including investment in physical infrastructure and information systems, and provision of technical assistance and training for institutional development and capacity building; and (c) development of complementary private employment and intermediation services, including building capacity of private sector providers.

Part 3. Strengthen Social Assistance and Services for the Urban Poor and Destitute

Carry out a program of activities to strengthen urban social assistance by expanding direct income support and services, including:

1. **Expanding Permanent Direct Support (“PDS”).** Provision of PDS Grants to PDS Beneficiaries (including households with limited or no capacity to engage in wage labor or self-employment activities or public works activities) and support linkages of PDS beneficiaries with social services, such as health, education, and health insurance services.
2. **Services for Urban Destitute.** Provision of basic social and livelihood services (such as temporary shelter and protection, access to basic social service, psychosocial support, life skills training, addiction treatment and cash transfers) to homeless women with children, unaccompanied children, homeless adults and homeless elderly (“Urban Destitute”) to facilitate their reintegration into families and communities.

Part 4. Institutional Strengthening, Project Management and Monitoring and Evaluation

Provision of support for institutional strengthening of agencies implementing the Project at the federal, city and *Woreda* levels, including in Project management, implementation, monitoring and evaluation, as well as the financing of Operating Costs and Training.

Part 5. Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall designate:
 - (a) the Ministry of Urban Development and Construction to be responsible for overall Project coordination, and for the Project implementation of Parts 1, 2.1, 4 and 5 of the Project, through the Urban Job Creation and Food Security Agency (“JOBFSA”);
 - (b) the Jobs Creation Commission (“JCC”) to be responsible for implementation of Part 2.2 of the Project; and
 - (c) the Ministry of Labor and Social Affairs to be responsible for Project implementation of Part 3 of the Project.

2. The Recipient shall maintain, at all times during the Project implementation, the following with responsibilities, functions, and/or terms of reference, as the case may be, composition and resources acceptable to the Association:
 - (a) the National Steering Committee (“NSC”), responsible for overall oversight of the Project, including providing strategic guidance and direction on Project implementation, approving the annual plan and budget and Project expenses, and taking action on issues that require high-level decisions;
 - (b) the Project Management and Coordination Committee, responsible for coordinating Project implementation across implementing agencies and partners and following up on issues, and serving as the liaison between NSC and TCC;
 - (c) the Project Technical Coordination Committee (“TCC”) responsible for guiding, coordinating and monitoring the progress of the Project outputs and outcomes in technical areas (such as public works, livelihoods, youth employment, and monitoring and evaluating the Urban Destitute) and addressing operational issues; and
 - (d) the Project Coordination Unit (“PCU”), established in JOBFSAs, responsible for supporting Project coordination and providing technical, fiduciary and safeguard support to federal agencies, Regions and cities on

planning, budgeting, financial management, procurement, quarterly and annual reporting and evaluation.

3. The Recipient shall ensure that adequate implementation arrangements, satisfactory to the Association, have been established and thereafter maintained at all times during the Project implementation at federal, Regional, City, *Woreda* or *Kebele*, and community levels, as such implementation arrangements shall be further detailed in the Project Implementation Manual.

B. Implementation Arrangements

Memorandum of Understanding

1. By no later than one (1) month after the Effective Date, the Recipient (through MoF) shall sign a revised Memorandum of Understanding with the Commercial Bank of Ethiopia (“CBE”), in form and substance satisfactory to the Association, setting out, *inter alia*, arrangements for Beneficiaries to open saving accounts at CBE and receive payments under the Project through CBE.
2. By no later than one (1) month after the Effective Date, the Recipient shall ensure that JOBFSAs sign a Memorandum of Understanding with ARRA, in form and substance satisfactory to the Association, setting out, *inter alia*, arrangements for Refugees and host communities to participate in public works and livelihood development activities under Part 1.3 of the Project.

Implementation at different levels

3. The Recipient shall implement the Project in Regions, cities, *Woredas*, *Kebeles* and communities, all to be selected in accordance with readiness and performance criteria and procedures agreed with the Association and set out in the Project Implementation Manual.

Selection of Beneficiaries

4. The Recipient shall select Beneficiaries and implement and supervise LD Grants, PDS Grant, PW Cash Transfers, Youth Stipends, as well as other benefits to be provided under the Project, all in accordance with the criteria, requirements and procedures set out in the Project Implementation Manual.

Part 1.3 of the Project

5. Prior to start of implementation of Part 1.3 of the Project, the Recipient shall:
(a) furnish to the Association a draft plan for provision of public works and livelihood opportunities to Refugees and host communities in a selected area as a pilot, including design, implementation arrangements, and risk management (e.g., Refugee protection risks and risks to social cohesion); (b) implement such plan as

has been approved by the Association; and (c) take into account lessons learned from the experience in the pilot before implementing Part 1.3 activities in other areas with the agreement of the Association.

Indexation of benefits

6. On an annual basis, beginning July 2021, the Recipient shall adjust (increase or decrease) the benefits paid to Beneficiaries and Urban Destitute by multiplying the benefit level with the year-on-year increase in food consumer prices of the preceding year, as measured by the food Consumer Price Index published yearly by CSA.

C. Project Implementation Manual

1. The Recipient shall prepare and furnish to the Association for approval, a Project Implementation Manual, setting out rules, methods, guidelines, and procedures for the carrying out of the Project, which manual should be prepared in accordance with terms of reference satisfactory to the Association, including:
 - (a) a detailed description of Project activities and institutional arrangements for implementing the Project activities, as well as location of activities;
 - (b) operational procedures, administration and coordination; monitoring and evaluation; financial, procurement and accounting procedures; social and environmental safeguards; and corruption and fraud mitigation measures;
 - (c) eligibility criteria and procedures to be applied for the selection of Beneficiaries, including re-certification criteria and procedure for PDS Beneficiaries in UPSNP Cities, as well as schedules and modalities of delivering benefits to the Beneficiaries, and the monitoring and evaluation of benefits delivered;
 - (d) operational procedure governing implementation of Part 1.1 of the Project, including sequencing of activities, sectoral coordination, roles and responsibilities of one-stop shops and private implementing entities;
 - (e) operating procedures governing Public Works Sub-projects under Part 1.1 of the Project, including, *inter alia*, specific criteria for PW Sub-projects to be eligible for financing under the Project, selection criteria for PW Beneficiaries to participate in PW Sub-projects; and guidelines for selection, approval, implementation, monitoring, evaluation and maintenance of PW Sub-projects;
 - (f) operating procedures for the youth employment apprenticeship program under Part 2.1 of the Project; and

- (g) the readiness and performance criteria for Project implementation in Regions and new cities, as well as terms of reference for assessment of the same and the schedule for third-party assessment.
2. The Recipient shall:
- (a) adopt such PIM as shall have been approved by the Association and thereafter, shall carry out the Project, and cause the Project to be carried out, in accordance with the PIM; and
 - (b) except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the PIM.
3. In case of conflict between the provisions of the PIM and this Agreement, the provisions of this Agreement shall prevail.

D. Annual Work Plan and Budget

1. The Recipient shall prepare and furnish to the Association for its approval, not later than June 30 of each year during the implementation of the Project or such later date as the Association may agree, the Annual Work Plans and Budgets (“AWPB”), including procurement plans containing all proposed activities to be carried out in the following EFY, as well as a comparison of previous EFY planned and actual activities and budgets, and finalize the AWPB, taking into account the Association’s comments and views thereon.
2. The Recipient shall cause each Region, City, *Woreda* and *Kebele* to implement, monitor and evaluate its respective activities, in accordance with the provisions set forth in this Agreement and the AWPB approved by the Association, and shall not revise any approved AWPB without the prior written agreement of the Association.

E. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;

- (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
- (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or beneficiaries, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish an accessible grievance mechanism or strengthen the existing grievance mechanism, as the case may be, and thereafter, publicize, maintain and operate the grievance mechanism to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the

environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

F. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Emergency Response Part”), the Recipient shall:

- (a) prepare and furnish to the Association for its review and approval, a Contingency Emergency Response Manual (“CER Manual”) which shall set forth detailed implementation arrangements for the Emergency Response Part, including:
 - (i) any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Part;
 - (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion;
 - (iii) financial management arrangements for the Emergency Response Part;
 - (iv) procurement methods and procedures for the Emergency Response Part;
 - (v) documentation required for withdrawals of Emergency Expenditures;
 - (vi) environmental and social safeguard management arrangements and instruments the Emergency Response Part; and
 - (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;
- (b) afford the Association a reasonable opportunity to review the proposed CER Manual;
- (c) promptly adopt the CER Manual for the Emergency Response Part as accepted by the Association;

- (d) ensure that the Emergency Response Part is carried out in accordance with the CER Manual, provided, however, that in the event of any inconsistency between the provisions of the CER Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CER Manual without the prior written approval by the Association.
4. The Recipient shall, throughout the implementation of the Emergency Response Part, maintain the institutional structures and arrangements established in accordance with the CER Manual, with adequate staff and resources satisfactory to the Association.
5. The Recipient shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:
- (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (b) the Recipient has ensured the preparation and disclosure of all safeguard instruments as may be required for said activities in accordance with the CER Manual, the Association has approved all said instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than sixty (60) days after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training, Operating Costs, LD Grants, PDS Grants, PW Cash Transfers and Youth Stipends under the Project, but excluding Part 1.3 of the Project	245,500,000	100%
(2) Goods, works, non-consulting services, consulting service, Training, Operating Costs, LD Grants and PW Cash Transfers under Parts 1.3 and 4 of the Project	36,500,000	100%
(3) Emergency Expenditures under Part 5 of the Project	0	100%
TOTAL AMOUNT	282,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) for Emergency Expenditures under Category (3), unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include the proposed activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

- (ii) the Recipient has ensured that all safeguard instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.F of this Schedule;
- (iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.F of this Schedule, for the purposes of said activities;
- (iv) the Recipient has adopted the CER Manual, in form and substance acceptable to the Association, and the provisions of the CER Manual remain appropriate for the inclusion and implementation of the Emergency Response Part; and
- (v) in the event of reallocation of Financing proceeds from Category (2) to Category (3), the Recipient shall use the proceeds so reallocated only for the benefit of Refugees and their host communities.

2. The Closing Date is December 31, 2025.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “ARRA” means the Recipient’s Agency for Refugees and Returnees Affairs, and any successor thereto.
3. “AWPB” means the annual work plans and budgets to be prepared, approved and implemented in accordance with Section I.D of Schedule 2 to this Agreement.
4. “Beneficiary” means a PDS Beneficiary, LD Beneficiary, PW Beneficiary or Youth receiving Youth Stipend.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “CBE” means the Commercial Bank of Ethiopia, established in 1963 pursuant to Council of Ministers’ Regulation No. 202/1994, as amended by Council of Ministers’ Regulations Amendment No. 134/2007 and No. 397/2017.
7. “City” means an urban center as defined in Proclamation No. 574/2008, which is any locality with an established municipality or having a population size of 2,000 or more inhabitants and wherein 50% of its labor force is primarily engaged in non-agricultural activities.
8. “Contingency Emergency Response Manual” or “CER Manual” means the manual referred to in Section I.F of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part in accordance with the provisions of said Section.
9. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARSCoV-2).
10. “CSA” means Central Statistical Authority, established and operating pursuant to Proclamation No. 442/2005 of the Recipient, and any successor thereto.
11. “EFY” means the Ethiopian Fiscal Year, the fiscal year of the Recipient which commences on July 8 and ends on July 7 of the following year.

12. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
13. “Emergency Expenditure” means any of the eligible expenditures set forth in the Emergency Response Manual in accordance with the provisions of Section I.F.1 of Schedule 2 to this Agreement and required for the Emergency Response Part.
14. “Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 5 of the Project.
15. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated September 8, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
16. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
17. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020).
18. “Job Creation Commission” or “JCC” means the Recipient’s Job Creation Commission, established pursuant to Council of Ministers Regulation No. 435/2018 and responsible for leading the job creation agenda, coordinating

different government agencies, donor and other stakeholders at the national and subnational level, and monitoring and evaluating overall performance on job creation.

19. “*Kebele*” means the lowest tier of government in the Recipient’s administrative system, as established according to the relevant Regional legislation.
20. “Livelihood Development Beneficiary” or “LD Beneficiary” means a household selected in accordance with criteria and procedures set out in the Project Implementation Manual to receive a LD Grant under Part 1.2 of the Project.
21. “Livelihood Development Grant” or “LD Grant” means a grant to be provided to a LD Beneficiary under Part 1.2 of the Project in accordance with the criteria and procedures set out in the Project Implementation Manual.
22. “MoF” means the Recipient’s Ministry of Finance, and any successor thereto.
23. “MoLSA” means the Recipient’s Ministry of Labor and Social Affairs, and any successor thereto.
24. “MoUDC” means the Recipient’s Ministry of Urban Development and Construction, and any successor thereto.
25. “Memorandum of Understanding” or “MOU” means the Memorandum of Understanding to be entered into between the Recipient and Commercial Bank of Ethiopia under Section I.B.1 of Schedule 2 to this Agreement or the Memorandum of Understanding to be entered into between the JOBSA and ARRA under Section I.B.2 of Schedule 2 to this Agreement.
26. “NSC” means the National Steering Committee referred to in Section I.A.2(a) of Schedule 2 to this Agreement.
27. “Operating Costs” means incremental costs incurred by the Project implementing agencies on account of the Project coordination, implementation and monitoring, including expenditures for vehicles operation and maintenance, office supplies and consumables, utilities, communication, translation and interpretation, bank charges, Project-related national and international travel, including *per diem* and accommodation, but excluding salaries of the Recipient’s civil servants, and other miscellaneous costs directly associated with the Project implementation, all based on periodic budgets furnished to, and approved by, the Association.
28. “PCU” means the Project Coordination Unit established in JOBSA and referred in Section I.A.2(d) of Schedule 2 to this Agreement.

29. “PDS Beneficiary” means a household selected in accordance with criteria and procedures set out in the Project Implementation Manual to receive a PDS Grant under Part 3.1 of the Project.
30. “Permanent Direct Support Grant” or “PDS Grant” means the grant to be paid to a PDS Beneficiary under Part 3.1 of the Project in accordance with criteria and procedures set out in the Project Implementation Manual.
31. “PES” means the Recipient’s Public Employment Services established under JOBFA, MoLSA and the Ministry of Women, Children and Youth, to implement a variety of active labor market programs, including provision of career guidance and labor exchange service aimed at facilitating the adjustment of firms and workers to changing labor market conditions.
32. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
33. “Project Implementation Manual” or “PIM” means the manual, satisfactory to the Association referred to in Section 5.01(b) of, and Section I.C of Schedule 2 to, this Agreement, as such manual may be revised from time to time with prior written agreement of the Association.
34. “Public Works Beneficiary” or “PW Beneficiary” means a household selected in accordance with criteria and procedures set out in the Project Implementation Manual to participate in a PW Sub-project and to receive a PW Cash Transfer under Part 1.1 of the Project.
35. “Public Works Cash Transfer” or “PW Cash Transfer” means the payment to be made to a PW Beneficiary under Part 1.1 of the Project in accordance with criteria and procedures set out in the Project Implementation Manual.
36. “Public Works Sub-project” or “PW Sub-project” means a labor-intensive public works sub-projects to be selected in accordance with the criteria and procedures set out in the Project Implementation Manual and to be carried out under Part 1.1 of the Project.
37. “Refugees” means the class of persons declared/recognized as refugees in accordance with the provisions of the Refugees Proclamation.
38. “Refugees Proclamation” means the Recipient’s Refugees Proclamation No. 1110/2019 published in the Federal Negarit Gazette No. 38 on February 27, 2019.
39. “Region” means one of the tiers of the Recipient’s administration established under the Recipient’s relevant legislation.

40. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
41. “TCC” means the Project Technical Coordination Committee referred to in Section I.A.2(c) of Schedule 2 to this Agreement.
42. “Training” means Project-related national and international study tours, training courses, seminars, workshops, and other training activities, not included under service providers’ contracts, which include costs of training materials, space and equipment rental, travel, and accommodation; *per diem* costs of trainees and trainers; trainers’ fees; and other training related miscellaneous costs, all as set out in the AWPB approved by the Association.
43. “JOBFSA” means the Urban Job Creation and Food Security Agency, which is accountable to the Ministry of Urban Development and Construction, and any successor thereto.
44. “UPSNP Cities” means, collectively, Addis Ababa, Adama, Awasa, Mekele, Desse, Dire Dawa, Harar, Jigiga, Assosa, Semara, and Gambella.
45. “Urban Destitute” means homeless women with children, unaccompanied children, homeless adults or homeless elderly.
46. “*Woreda*” means one of the tiers of government in the Recipient’s administrative system, as established pursuant to the relevant legislation issued by the Region.
47. “Youth” means a person aged 18 through 25 years.
48. “Youth Stipend” means the stipend to be paid to a Youth, selected to participate under Part 2.1(b) of the Project, to cover the costs of local transport and meals incurred for such participation.